

From: Rus Anderson [mailto:randerson@gwacsdefense.com]
Sent: Tuesday, April 21, 2020 1:38 PM
To: russell@kearms.com
Cc: Jud Gudel <jgudel@gwacs.us>; paul.levy@brownells.com
Subject: RE: Cease and Desist

Russell,

Please see the email below. We have not received a response from you and would request you reply soon or we will have to consider other action to protect our rights.

Rus

Russell L. Anderson
Colonel USMC (Ret)
Director of Programs and Compliance
GWACS Defense, Inc.
GWACS Armory, LLC
7130 S. Lewis Ave, Ste 300
Tulsa, OK 74136
Office: 918-794-5670 Ext. 200
Fax: 918-794-5675
Cell: 918-232-0118

From: Rus Anderson
Sent: Tuesday, April 7, 2020 4:22 PM
To: russell@kearms.com
Cc: Jud Gudel <jgudel@gwacs.us>
Subject: Cease and Desist



Russell,

I am sending this email on behalf of Jud Gudel and GWACS Armory, LLC. Today it has come to our attention that you (more specifically, your employer, KE Arms) are attempting to develop a GWACS CAV-15 M III in direct conflict with our intellectual property rights. Please consider this email as a demand to Cease and Desist this activity immediately.

As you are aware, GWACS purchased all the equipment, molds, designs, and related IP from Calvary Arms in 2011, and own exclusive rights to such. In 2015, we attempted to form a broader relationship with KE Arms in order to allow the manufacture of an aluminum version of the CAV15 MK II and MK III lower receiver for GWACS to market. Under this premise, we shared our latest designs with you and jointly executed a Nondisclosure Agreement (NDA) of the designs (copy attached). It appears that the MK III is the design you are currently attempting to market.

As mentioned above, by this email GWACS Armory is providing you official notice to Cease and Desist the use, manufacture and marketing of any designs, IP and other likeness to the GWACS Armory CAV 15 MKII and MKIII immediately.

We would be willing to discuss a licensing arrangement between GWACS and KE Arms, both as a manufacturer for GWACS Armory and as a manufacturer of a KE Arms Variant under license from GWACS. If this is something you and your employer would be interested in pursuing, I look forward to hearing from you soon.

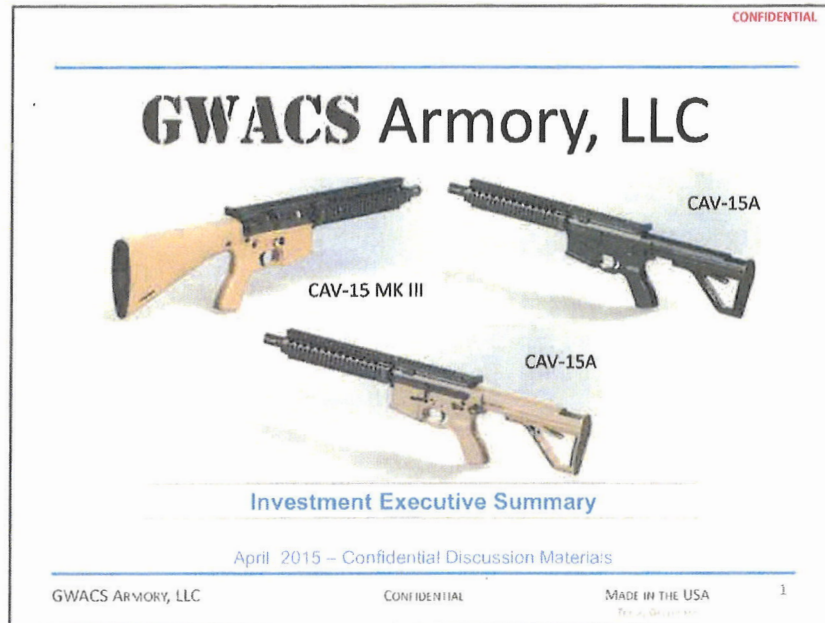
We have enjoyed a long and great relationship over the years and I would like to continue that relationship, if at all possible. However, if we can't quickly come to a mutual agreement and licensing agreement, we will be forced to take legal action to protect our intellectual property.

Rus

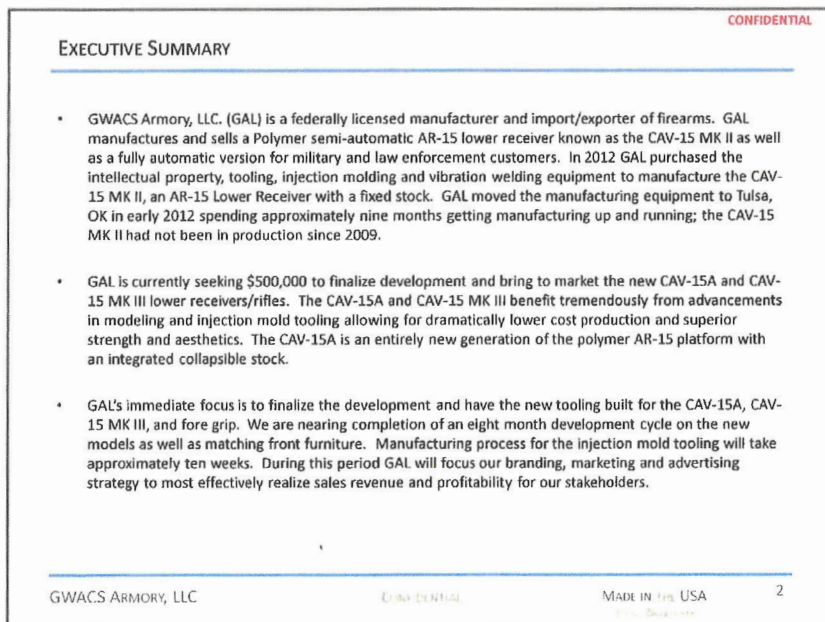
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6/29/2021



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INTRODUCTION

GAL is an engineering and firearms manufacturing innovator of polymer AR-15's in the commercial marketplace with an excellent reputation for quality products and superior customer service.

The CAV-15A and CAV-15 MK III will be the premier lightweight durable polymer AR-15 lower receivers with a significant cost advantage over comparable systems.

More than one million AR-15's were sold in 2012 and annual sales are estimated to increase 7 – 10% each year. Sales of AR-15 rifles and accessories are estimated to be between \$1.25 and \$2.0 billion annually.

GAL has established a dominate position within the AR-15 market segment for durable lightweight polymer solutions.

Use of funds:

- Completion of the next generation Polymer AR15 lower focused on improvements suggested by weapons experts, dealers and end customers.
- Investment in tooling for new products and additional manufacturing equipment to allow us to significantly reduce cost and enter the market as a high quality, low cost leader while maintaining excellent margins throughout the product line.
- Aggressive marketing campaign to increase brand recognition and sustain loyalty with current and future customers.

The vision and experience of our management team combined with an exceptional Advisory Board offers many years of combined experience in product development, manufacturing and sales providing the necessary ingredients to implement our comprehensive strategic plan.

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3

3

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HIGHLIGHTS

- Technology leader for strength and durability in the lightweight AR-15 market
- Low cost producer and sales leader with excellent margins
- Multiple leading edge products
 - ✓ Adjustable Stock CAV-15A
 - ✓ Fixed Stock CAV-15 MK III
 - ✓ Matching Fore Grip / Front Furniture
- Multiple Profitable Markets
 - ✓ Commercial markets
 - ✓ OEM
 - ✓ Law Enforcement Markets
 - ✓ Foreign Markets

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CAV-15A

The CAV-15A is the next generation polymer AR-15 lower which includes the most requested feature, an *integrated adjustable stock AR-15 platform with multiple butt stocks available* offering significant advantages in the AR-15 marketplace in form, function, quality and price. Multiple features and traits from high end, + \$180, adjustable stocks.

Form -

- Latest injection molding process with exceptional fit and finish
- Multiple color options – Standard Black, FDE, Coyote Tan, O.D. Green and virtually any other color as well as factory Hydro-Coating
- Light Weight Polymer design - 1lb 2 oz. stripped (includes adjustable stock) and 1lb 12 oz. populated and ready for an upper receiver.

Function -

- Fully-featured, adjustable butt stock with a modular design that offers the stability of a fixed stock with consistent cheek weld in any position and eight-position length-of-pull (LOP) adjustment with an integral preset system allowing direct access to a preferred position for all size shooters and shooting styles.
- Based on the standard AR-15 platform
- Integrated ribbed buffer tube provides greater reliable buffer operation in dirty environments
- Integrated single point sling mount(s)
- Larger integrated trigger guard for gloved hand operation

Quality -

- Limited Lifetime Warranty – Unique in the Industry.
 - 1st Year free replacement on material/manufacturing defects
 - After first year there is a \$35 fee for replacement

MSRP Pricing -

- Stripped Retail Price \$179.00 (stripped lower receiver includes buffer tube, stock, pivot and take down pins, trigger guard)
- Fully Populated Retail Price \$259.00

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CAV-15 MK III

The CAV-15 MK III receiver offers significant functional and cosmetic improvements over the current CAV-15 MK II. GWACS Armory worked with existing customers of the CAV-15 MK II to incorporate functional and cosmetic improvements and the most desired features into the new CAV-15 MK III while lowering the MSRP considerably.

Form -

- Latest injection molding process with exceptional fit and finish
- Multiple color options – Standard Black, FDE, Coyote Tan, O.D. Green and virtually any other color as well as factory Hydro-Coating
- Light Weight Polymer design - 1lb 3oz. stripped and 1lb 12.3oz. populated and ready for an upper receiver.

Function -

- Based on the standard AR-15 platform
- Integrated ribbed buffer tube provides greater reliable buffer operation in dirty environments
- Integrated single point sling mount(s)
- Larger integrated trigger guard for gloved hand operation

Quality -

- Limited Lifetime Warranty
 - 1st Year free replacement on material/manufacturing defects
 - After first year there is a \$35 fee for replacement

MSRP Pricing -

- Stripped Retail Price \$119.00 (stripped lower receiver includes buffer tube, stock, pivot and take down pins, trigger guard)
- Fully Populated Retail Price \$199

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Armory-0237

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1

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STRENGTHS, WEAKNESS AND OPPORTUNITY				
<ul style="list-style-type: none"> • Strengths <ul style="list-style-type: none"> – Management team with solid experience – Proven product already successful in the market – Great reputation for quality product and customer support – Relationships within the gun industry –Falcon Industries, Magpul, Colt, Adcor, JSE – Over 120 certified dealers and growing • Weakness <ul style="list-style-type: none"> – Resources and equipment – Small buying power for third party items – Single product (CAV-15 MK II) – Very little Marketing and Advertising • Opportunity <ul style="list-style-type: none"> – Market is migrating to custom AR-15 market where customers want choices in colors. – Glock and the CAV-15 MK II have “broken the glass ceiling” for polymer acceptance – The CAV-15 MK III and CAV-15A low production costs allow for large margins while enabling GWACS Armory to become the dominate low cost provider in the AR-15 marketplace – The projected AR-15 market continues to see healthy growth each year – Typical AR-15 owner has more than one and intends to buy more 				
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PROJECTED FINANCIAL HIGHLIGHTS					
<p>For the purposes of these forward looking projections we focused on sales of the CAV-15A and CAV-15 MK III to commercial markets and we have not included the large foreign markets. GAL projections assume penetrating the AR-15 Market capturing less than 2% - 5% of the current marketplace.</p>					
	Calendar Year Ended				
	2016	2017	2018	2019	2020
Product Sales	1,141,058	16,077,590	22,222,546	29,553,206	39,691,461
Net Income Before Tax (loss)	(\$190,993)	\$3,581,036	\$5,758,618	\$8,482,590	\$12,333,592
Dividend Distributions	(\$190,993)	\$2,148,621	\$3,455,171	\$5,089,554	\$7,400,155
<p>*2016 Sales Projections assume sales of CAV-15A and CAV-15 MK III in 4th Quarter Resulting in the “Hockey Stick” from 2016 - 2017 NOTE: Upper Receivers for complete rifles will be sourced from external manufacturers.</p>					
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FINANCIAL HIGHLIGHTS		CONFIDENTIAL
<u>Investment Opportunity:</u>		
\$500,000 investment = 20% Equity Stake		
Use of Funds:		
Professional Branding/Marketing Material and Strategy, Legal (IP) and Operating Capital		\$75,000
Manufacturing Equipment, Tooling, Hardware/Software		\$ 425,000
Use of Cash		\$ 500,000
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EXISTING PRODUCTS		CONFIDENTIAL
		
		Black
		Zombie Green
		Zombie Hydro Coat
CAV-15 MK II		
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Armory-0240

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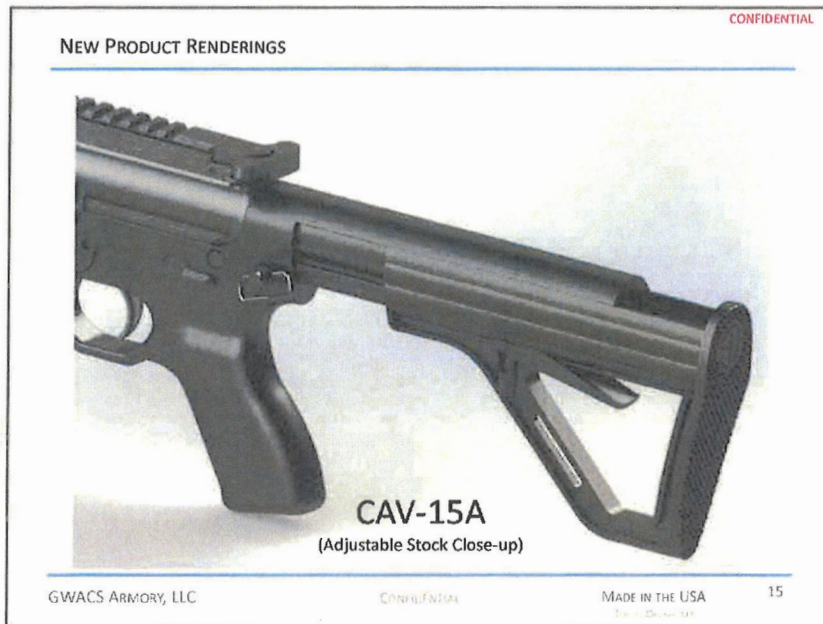


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Armory-0241

6/29/2021



15



16

8

Armory-0242

The Wayback Machine - https://web.archive.org/web/20201202125959/http://www.kearms.com/KP-15-polymer-receiver.aspx

LOGIN VIEW CART BECOME A DEALER



DUE TO EXTREMELY HIGH ORDER VOLUMES, ORDERS MAY TAKE 2-3 WEEKS TO SHIP.
EMAILING US IS THE BEST WAY TO GET THROUGH. ORDER VOLUMES ARE INCREDIBLY HIGH.
WE CANNOT ANSWER PHONE CALLS IN REAL TIME AND PROCESS ORDERS.
PLEASE LEAVE A VOICEMAIL OR EMAIL US AND WE WILL GET BACK TO YOU AS SOON AS POSSIBLE.
WE ARE NOT A RETAIL STORE



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KP-15 POLYMER RECEIVER



Brand:

Item #: 1-61-01-002

Availability: **PRE ORDER**
Will Ship in 6-10 Weeks

Price: **\$199.95**

Configuration:

- ☒ BLACK/Complete Mil-Spec Parts Kit Installed
- ☐ BLACK/DMR Trigger Parts Kit (Mil-Spec Selector and Mag Catch) / add \$90.00
- ☐ BLACK/Complete Parts Kit with SLT-1 and Ambi Selector and Ambi Mag Catch Installed / add \$240.00
- ☐ FDE/Complete Mil-Spec Parts Kit Installed
- ☐ FDE/DMR Trigger Parts Kit (Mil-Spec Selector and Mag Catch) / add \$100.00
- ☐ FDE/Complete Parts Kit with SLT-1 and Ambi Selector and Ambi Mag Catch Installed / add \$240.00



Quantity:

DESCRIPTION

10-31-2020:

Pre-Orders of the KP-15 receivers have been substantial. We are obligated to ship product to our industry partners like Brownell's who have had long standing orders first. By placing an order you understand it may take up to 6-8 weeks to fill orders for black receivers, and 8-10 weeks to fill orders for flat dark earth receivers.

The KP-15 is a monolithic polymer AR15 style receiver made from injection molded 30% glass filled nylon incorporating the buttstock, buffer tube, pistol grip, and trigger into the receiver design as integral components.

This manufacturing process offers several advantages

- Lighter weight compared to similarly configured receivers
- Lower cost to similarly configured receivers
- Increased production speed and elimination of sub components through integration; especially important during high demand cycles in the market.



Armory-0307

Features Include:

- Compatibility with most common AR15 uppers and lower parts kits
- Flared magwell to make reloads under stress easier to perform.
- A1 Length 13" Length of Pull (LOP) Buttstock to fit a wide range of shooters
- MLOK Slots at rear of stock for sling attachment points or run a strap through it for simple sling attachment
- Holes at the front of the stock for QD socket inserts for more sling attachment options
- Improved grip for comfortable use
- "Winter" Trigger Guard

Stripped Lower Includes (WE ARE ONLY SELLING COMPLETE LOWERS DIRECT CURRENTLY)

- Pivot and Take Down Pins
- KP-15 Selector Detent
- Buttplate
- 5/64" Roll Pin to Retain Buffer Detent

Technical Information

- The KP-15 receiver uses a Carbine buffer and spring
- The Take Down and Pivot Pins have the detents built into them; eliminating the spring and detent holes in the lower increases durability.
- The buffer detent (should you choose to use it) is held in place with a 5/64" Roll Pin
- The KP-15 is compatible with all Mil-Spec Fire Control Groups
- The KP-15 is compatible with cassette style match triggers including the KE Arms DMR and SLT units. The retention system of these triggers with D-Clips in the bushings to retain the fire control pins makes them better suited for use in the KP-15 than other designs that require captured pins.
- The hammer pin area is wider for durability; Standard AR15 hammer pins can still be used but we offer a longer hammer pin for customers preferring a flush pin for aesthetic reasons.
- Safety selector spring and detent load from the top and then the selector is slid over them. Standard selectors can work but removing them can be particularly difficult. We recommend the use of our optimized mil-spec selector or optimized ambi selector to make removal easier. Follow our assembly guide for further instructions.
- The KP-15 is compatible with standard AR15 uppers in calibers including .223/5.56mm NATO, .300 Blackout, 6.5mm Grendel, 6.8mm SPC; make sure you use the appropriate weight carbine buffer for your rifle to eject at 3:00-4:00.
- The KP-15 is compatible with 9mm blowback systems with a 5.4oz carbine buffer minimum. Use heavier buffers as long as your gun can cycle reliably. Failure to use this minimum buffer weight can damage the lower.
- Big Bores: .458 SOCOM, .50 Beowulf, .50 BMG: We will never test these calibers enough to guarantee function and durability over time; use at your own risk.

Cerakoting: If you intend to have your KP-15 Cerakoted we recommend you use We Plead the 2nd as they are experienced in coating polymer receivers and have our authorization. The bake should be done at low temperatures (<190 Degrees F) and with an upper in place to prevent warping.

Warranty:

The KP-15 has a lifetime warranty for normal use.
Sling Attachment points wearing out is not grounds for a receiver replacement.
If the receiver breaks through misuse or neglect, we will replace it ONCE for \$65.00.

Structural modifications including stock shortening and removal of material and dyeing the receiver void the warranty.

If you intend to register your KP-15 as an NFA weapon test it thoroughly before doing so in a Title 1 Configuration. Once you Form 1 or Form 2 it, you are legally the manufacturer and we cannot service or support it as easily. Should your receiver require warranty replacement we can only replace it with a title I receiver and we are not responsible for tax stamps or NFA fees.

Home	KE-15	Tech Guide / FAQ	Privacy Policy	(c) 2013 480-256-9745 info@kearms.com 4343 E Magnolia St Phoenix AZ 85034
My Account	KE.308	Contact Us	Return Policy	
My Cart	Swag	Warranty	Terms & Conditions	
			Shipping Policy	

Ecommerce software by AmeriCommerce

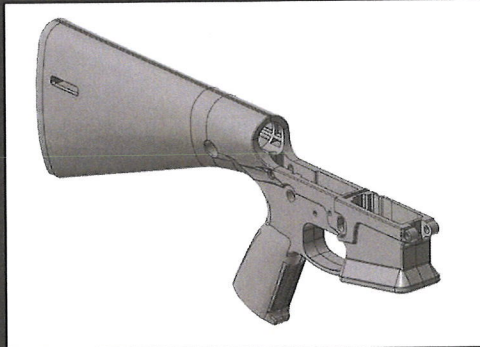


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KP-15 POLYMER RECEIVER



Availability: **PRE ORDER**
Will Ship in 6-10 Weeks

Price: **\$199.95**

- BLACK/Complete Mil-Spec Parts Kit Installed
- BLACK/DMR Trigger Parts Kit (Mil-Spec Selector and Mag Catch) / add \$90.00
- BLACK/Complete Parts Kit with SLT-1 and Ambi Selector and Ambi Mag Catch installed / add \$240.00
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- FDE/DMR Trigger Parts Kit (Mil-Spec Selector and Mag Catch) / add \$100.00
- FDE/Complete Parts Kit with SLT-1 and Ambi Selector and Ambi Mag Catch installed / add \$240.00

Quantity: 1 ADD TO CART ➔

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- Lighter weight compared to similarly configured receivers
- Lower cost to similarly configured receivers
- Increased production speed and elimination of sub components through integration; especially important during high demand cycles in the market.

- Compatibility with most common AR15 uppers and lower parts kits
- Flared magwell to make reloads under stress easier to perform.
- A1 Length 13" Length of Pull (LOP) Buttstock to fit a wide range of shooters
- M-LOK Slots at front of stock for sling attachment points or run a strap through a A1 Length of Pull (LOP) Buttstock for additional sling attachment options
- Holes at the rear of the stock for QD socket inserts for more sling attachment options
- Improved grip for comfortable use
- "Winter" Trigger Guard

- Pivot and Take Down Pins
- KP-15 Selector Detent
- Buttplate
- 5/64" Roll Pin to Retain Buffer Detent

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- The Take Down and Pivot Pins have the detents built into them; eliminating the spring and detent holes in the lower increases durability.
- The buffer detent (should you choose to use it) is held in place with a 5/64" Roll Pin
- The KP-15 is compatible with all Mil-Spec Fire Control Groups
- The KP-15 is compatible with cassette style match Higgins including the KE-Arms DMH and SLT units. The retention system of these triggers with O-Clips in the bushings to retain the fire control pins makes them better suited for use in the KP-15 than other designs that require captured pins.
- The hammer pin area is wider for durability. Standard AR15 hammer pins can still be used but offer a longer hammer pin for customers preferring a flush pin for aesthetic reasons.
- Safety selector spring and detent load from the top and then the selector is slid over them. Standart selectors can work but removing them can be particularly difficult. We recommend the use of our optimized mil-spec selector or optimized arid selector to make removal easier. Follow our assembly guide for further instructions.
- The KP-15 is compatible with standard AR15 uppers in calibers including .223/5.56mm NATO, .300 blackout, 6.5mm Grendel, 8mm S&W; make sure you use the appropriate weight carbine buffer for your rifle to get to 3300-4300.
- The KP-15 is compatible with from Blomley axyloms with a 5.4oz carbine buffer minimum. Use heavier buffers as long as your gun can cycle reliably. Failure to use this minimum buffer weight can damage the lower.
- B&B Rems: 458 S&W, .50 Beowulf, .50 BMG: We will never test these calibers enough to guarantee function and durability over time; use at your own risk.

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480-256-9745
info@kearms.com
4343 E Magnolia St
Phoenix AZ 85034

Armory-0309

Ecommerce software by AmeriCommerce

Russell Phagan

www.SinistralRifleman.com

Contact

Tel : 480.466.8832

E-mail: SinistralRifleman@hotmail.com

Objective

To secure a position in a well established company with a stable environment that will allow me to use my extensive knowledge and skills in the firearms industry.

Key Skills

- Broad industry and product knowledge
- Experience in logistics
- Order & Vendor Management
- Product Purchasing & Resale
- Knowledge of Microsoft Office Programs
- Knowledge of QuickBooks Manufacturing & Wholesale Edition
- Computer/Internet Savvy
- Customer Service & Internet Sales

Work Experience

Cavalry Manufacturing, LLC

June 2010 – September 2012

Job Title: Office Manager



Administrative/Office

- Shipping and Receiving
- Purchasing
- Phone Sales and Customer Service
- Invoicing using Quickbooks Manufacturing and Wholesale Edition
- Created pricing structures for wholesale and OEM products
- Credit Card Processing
- Website updates
- Wrote instruction sheets/manuals for products, created internal company forms

Management

- Recruiting and hiring of employees
- In charge of running full operations in owners absence.
- Training in production duties and company procedures
- Production Scheduling and delegation of manufacturing duties to staff.
- Mediated and monitored a work environment of multiple employees.
- Payroll processing
- Managed vendor invoices, orders as well as collecting payments due and processing outgoing payments.
- Expanded networking through personal shooting blog, competitions and attending trade shows such as Shot Show for purchasing and sales.

Manufacturing

- Assembly of handguards, telestocks, and other products
- Packaging and shipping of products.
- Product evaluation and testing, Product Improvement and Troubleshooting

Misc.

- Produced and Edited Instructional and Advertising videos for internet and trade shows
- Attended SHOT Show as company as purchaser/company rep

Cavalry Arms Corporation

2007-2010 Vice President

2004-2007 Office Manager

2001-2003 Assembly/General Labor

Administrative/Office

- Shipping and Receiving
- Purchasing
- Phone Sales and Customer Service
- Invoicing using Quickbooks Manufacturing and Wholesale Edition
- Created pricing structures for wholesale and OEM products
- Credit Card Processing
- Website updates
- Wrote instruction sheets/manuals for products, created internal company forms

Management

- Recruiting and hiring of employees
- Training in production duties and company procedures
- Production Scheduling

BATF/FFL Regulatory

- 4473 over the counter sales and NICS checks
- Manufacturing and A&D Log from August 2006 to March 2010
- Filed NFA Forms for manufacture, transfer, and sale
- Serializing of CAV-15 receivers
- Internal compliance audits

Manufacturing Related Duties

- Assembly of CAV-15 receivers and rifles
- Rifle/Receiver Warranty/Repair
- Assembly of handguards, telestocks, and other products
- Packaging of orders
- Product evaluation and testing, Product Improvement and Troubleshooting

Misc.

- Produced and Edited Instructional and Advertising videos for internet and trade shows
- Attended SHOT Show as company sales staff working a booth and as purchaser

Sinistral Shooting Technologies, LLC

2003-Present

Job Title: Controlling Member

2003 Designed and Produced SST-870 and SST-590 AR15 stock adapter systems for Remington and Mossberg shotguns.

2005 Sold SST-870 and SST-590 to Cavalry Arms Corp

2006 Testing and Evaluation of AGP Arms Saiga-12 Magazines

2010 Purchased CAV-15 Mold and IP from Cavalry Arms Corp.

2011 Negotiated asset sale of CAV-15 Mold and IP to GWACS Armory

2012 fall to present ongoing consulting for Smart Firearms Training Devices

Education

Mountain View High School Mesa, AZ Class of 2000

Mesa Community College 2000-2001

NRA Instructor Certification; Pistol, Personal Protection in the Home 2012

Multiple Firearms Operator/Tactical Class 2004-2008 (complete list available upon request)

Arizona Concealed Weapons Permit Holder since 2003

Activities and Interests

- Competitive Action Shooter (local and national) Complete match results available upon request.
- Blogger: Match, Training, Gear reviews and videos (www.SinistralRifleman.com)
- Youtube Channel with Shooting/Gear Videos with ~1,000 subscribers, and ~1,000,000 video views.

1:40



← Russell Phagen



Thursday, Feb 22, 2018 • 2:20 PM

Need to get some more black
lowers coming

Friday, Feb 23, 2018 • 12:27 PM

Thursday, Mar 8, 2018 • 6:25 PM

I have another customer
having the same issue with a
receiver and our selector

Yep I think the mold may be
done. I look around and send
some earlier ones

I'm going to have these guys
send it back to you otherwise
it will have to go back through
a dealer for the replacements

Yo! ↓ 'n't replace them?



Text message



Armory-311

1:40



← Russell Phagen



Thursday, Mar 8, 2018 • 6:25 PM

I have another customer
having the same issue with a
receiver and our selector

Yep I think the mold may be
done. I look around and send
some earlier ones

I'm going to have these guys
send it back to you otherwise
it will have to go back through
a dealer for the replacements

You can't replace them?

Wednesday, Mar 14, 2018 • 11:27 AM

Please send one extra
buttplate. Or I can take one off
the lower I'm returning if that's
allright



Text message



1:40



← Russell Phagen



the tower I'm returning it that's
allright

Ok

Monday, Mar 26, 2018 • 2:34 PM

Increase that order to 10 units
please. I had more orders
come in over the weekend

Monday, Mar 26, 2018 • 5:46 PM

Ok

Friday, Mar 30, 2018 • 2:20 PM

I'm sending you three
selectors that I tested in both
our Cav-15 receivers. Neither
had trouble. And worked fine.
I will send seven extras. I
cannot replicate the problem
with a full tension spring and
both arms installed



Great



Text message



1:40



← Russell Phagen



yesterday.... You can call
again I'm open

Tuesday, Apr 17, 2018 • 2:32 PM

See

Yeah looks like the timing is
just off

Wednesday, Apr 25, 2018 • 12:44 PM

Sorry I missed your call I'm
at Fort Benning working an
exercise I will call when I can
or text me.

Monday, Apr 30, 2018 • 1:43 PM

Any update on the other 5
units to send us?

Yes I'm back and will get them
boxed and shipped tomorrow



Cool thanks

⊕ 🏠 Text message



1:40



← Russell Phagen



Friday, Mar 30, 2018 • 8:57 PM

Not too late I leave to Dallas
early tomorrow

Lol wrong person Russell on
that last one

No worries



Tuesday, Apr 3, 2018 • 2:27 PM

Are those receivers on the
way?

No the anodized is ate up.
Hopefully Thurs

You should just have us make
these for you and trade us
receivers lol



⊕ Text message



1:40



← Russell Phagen



RECEIVEDS 101

Wednesday, Apr 11, 2018 • 10:17 AM

Saw the pics. Looks functional but I think you'll be fighting an up hill battle aesthetics wise. Particularly when it comes to the grip unless you have pannels that are supposed to be added

Need to get Karl under NDA so you can get his input too

Yes please send his email address

info@inrange.tv

Thursday, Apr 12, 2018 • 10:29 AM

Did I miss your call yesterday.... You can call again I'm open

Tuesday, Apr 10, 2018 • 2:32 PM

+ 📎 Text message



1:40



Russell Phagen



Yes I'm back and will get them
boxed and shipped tomorrow

Cool thanks

Friday, May 18, 2018 • 10:21 AM

Did the new selectors still
have issues?

Haven't had any problems
with the lowers I assembled
here

No issues except his lower. I
think his safety hole was over
reamed

Gotcha

Monday, Jun 11, 2018 • 12:30 PM

Proceed... When you etch the
logo we will want that as big
as fits ↓



Text message



1:40



← Russell Phagen



No issues except his lower. I
think his safety hole was over
reamed

Gotcha

Monday, Jun 11, 2018 • 12:30 PM

Proceed... When you etch the
logo we will want that as big
as fits

Wednesday, Jun 13, 2018 • 12:29 PM

You guys are getting a lot
of messages to the GWACS
Facebook page asking about
order status and availability

Thanks

Wednesday, Jun 20, 2018 • 4:41 PM

Your lowers are at anodizing
currently



Text message



1:39



← Russell Phagen



currently

Cool

Friday, Jun 22, 2018 • 11:00 AM

More messages on Facebook
about lower availability

Are you close to running out?

Yep will be out by tomorrow.

Friday, Jun 29, 2018 • 7:20 PM

Your lowers are back from
anodizing. We'll start
engraving them next week.

Ok

Thanks.

More questions piling up on
Facebook too



Text message



1:39



← Russell Phagen



Yes I'm about to do an announcement

Do you have another run of MKIIs scheduled?

Not at this time the current plan is shut down move to next gen and roll out big with several distributors. Which I will include you.

They the customers are not going to be happy... They are already got pitch forks out

But they will be happy when it finally comes together

I've noticed...I've told the Inrange patrons they should buy now if they want a MKII, change will be coming

Those units you sent me are all already sold



⊕ 📎 Text message



1:39



← Russell Phagen



Inrange patrons they should
buy now if they want a MKII,
change will be coming

Those units you sent me are
all already sold

I think we have 29 black
blems. 14 zombie green. 24
more coyote tan that require
some milling in the trigger
well. 12 more pink. And 24
more mixed colors.... Between
color shots

Give me a deal on the ones
requiring work and I'll deal
with it here

Ok ill put something together
this weekend

How many units total did you
guys produce since you got it?

↓ I think 6000 plus

+ 🏠 | Text message



1:39

🕒 * 📶 🔋

← Russell Phagen

📷 📞 🔍 ⋮

How many units total did you
guys produce since you got it?

I think 6000 plus

I would have to go to the
books to know for sure

Just curious

How many do you think you
sold since the WWSD thing on
Inrange?

3000 plus

And I have potential orders
lined up go 9000 asap

I'm working a 500k investment
that refurbishes and buys new
machines Two new molds and
full on marketing campaign
it will pay back the investor
850,000 plus 8percent equity

↓
That's pretty awesome. Let

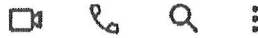
⊕ 📎 Text message

😊 📱

1:39



← Russell Phagen



machines Two new molds and
full on marketing campaign
it will pay back the investor
850,000 plus 8percent equity

That's pretty awesome. Let
me know what I can do to help
you roll it out.

Our new models will reduce
secondary ops by 50 percent

I am also working on a retail
box that is like Magpul for
better retail reponse

Regarding your public
statement I would include
something along the lines of

"We are thankful for
InRange TV's WWSD project
reinvigorating interest in the
product and allowing us to
sell all out our MKII product
line.



⊕ 📎 Text message



1:39



← Russell Phagen



This year the CAV-15 MKII turns 15 years old and the mold is due for some serious maintenance and the product like has been in need of a feature update for some time

The MKIV will incorporate a number of features we've wanted to add incorporate since acquiring the CAV-15 in 2012. Some of these were recommended by Russell Phagan aka SinistralRifleman.com who has been involved with the CAV-15 product line since 2001, others our engineers have included to improve manufacturing and meet the needs of the modern firearms market."

What are you anticipating the new weight to be?

↓
Variance and distribute MKIII

⊕  Text message



1:38



← Russell Phagen



feature update for some time

The MKIV will incorporate a number of features we've wanted to add incorporate since acquiring the CAV-15 in 2012. Some of these were recommended by Russell Phagan aka SinistralRifleman.com who has been involved with the CAV-15 product line since 2001, others our engineers have included to improve manufacturing and meet the needs of the modern firearms market."

What are you anticipating the new weight to be?

Variance and distribute MKIII will be the same the MKIV will be a couple of ounces lighter

What are you calling the MKIII?



Text message



1:38



← Russell Phagen



I like what you just suggested
and will use that

Tuesday, Jul 3, 2018 • 5:31 PM

Back in another meeting

Wednesday, Jul 25, 2018 • 2:48 PM

Laser engraving today

1-4 will be marked

GWACS ARMORY
SPECIAL EDITION
JENKS, OK

5-8

RESTRICTED FOR
GOVERNMENT AND LAW
ENFORCEMENT USE ONLY

Ok great!



Wednesday, Jul 25, 2018 • 6:26 PM



Text message



1:38

🕒 🔌 📶 🔋

← Russell Phagen

📺 📞 🔍 ⋮

...g...

Wednesday, Jul 25, 2018 • 6:26 PM

Test before commencing

Test lower

Looks good what do you think

I think it's good

I'll have start lasering the
lowers if you're good with it

Wednesday, Jul 25, 2018 • 8:17 PM

I think we need to move the
power series down some

Independent of the logo?

Move the logo down with the
power series to iliminater the
gap and that will work

I'd suggest just dr[↓]...

⊕ 📎 Text message

😊 🗣️

◀ ⏪ ⏩ ▶

1:38



← Russell Phagen



I'd suggest just droppi

Yes

Good to go?

Thursday, Jul 26, 2018 • 5:51 PM

I lost one of my butt plate and
screw sets, can you send me
another please?

Sure

Thanks

Tuesday, Jul 31, 2018 • 6:18 PM

Lowers are shipping

Great your butt plate will ship
in the morning

Thanks



Text message



1:38



← Russell Phagen



Wednesday, Sep 5, 2018 • 8:34 PM

Did you get a chance to talk to Judd?

I did he wanted to see how his meeting tomorrow goes with an investor... I'll follow up with him and let you know

Ok

Even if you get the new investor going 6 months off the market waiting for new mold would be pretty rough

Wednesday, Sep 5, 2018 • 9:36 PM

Yep I know

Friday, Sep 7, 2018 • 8:53 AM

I'd like to set up a call with Jud. To talk about the InRange project. ↓

⊕ 📎 | Text message



1:38



← Russell Phagen



918-812-2444 is his phone

Thanks

Monday, Sep 10, 2018 • 1:49 PM

Another point to mention to
Jud is Mike is interested in
investing in the MKiii.

Wednesday, Sep 12, 2018 • 8:17 PM

Good copy

Friday, Sep 14, 2018 • 12:55 PM

Any progress on setting up a
conference call?

Friday, Sep 14, 2018 • 3:55 PM

Not yet he is working on our
end

Monday, Sep 18, 2018 • 3:48 PM



Text message



1:37



← Russell Phagen



NOT yet ne IS working on our
end

Monday, Sep 24, 2018 • 3:48 PM

Hey man I need 2 buttplate
and screws if you can send
them out

Friday, Nov 16, 2018 • 6:49 PM

What email address did you
want me to send that shipping
label to?

Michelgijones@gmail.com

What's your address?

3134 E 146th Place S
Bixby OK. 74008

Monday, Nov 19, 2018 • 2:08 PM

Mailed you an envelope with a
label in it



Text message



1:37



← Russell Phagen



Monday, Nov 19, 2018 • 8:20 PM

Ok ill watch for it and let you
know when I send

Thanks

<http://www.kearms.com/CAV-15MKIIHammerPin.aspx>

Nice lol

Wednesday, Dec 5, 2018 • 7:24 PM

Did the envelope arrive?

Yes I will get it sent in the
morning!

Thanks I appreciate it!

Thursday, Dec 20, 2018 • 11:49 AM

Hey man did you ever get a
chance to mail that buttplate?

+ 📎 | Text message



1:37



← Russell Phagen



Thursday, Dec 20, 2018 • 9:40 PM

Damn I'm sorry I am putting it
in a box tonight

Thanks

Friday, Dec 21, 2018 • 6:58 PM

Heard anything else from
Jud about moving forward
with new molds? He never
responded to me.

I have not I have not spoke
with him much lately

Some people have gotten
messages that new receivers
will be available first quarter
2019.....but I'm not holding my
breath

12/21/18, 7:02 PM

Attach recent photo



Text message



Message

From: russell@kearms.com [russell@kearms.com]
Sent: 8/27/2019 3:56:57 PM
To: Paul Levy [paul.levy@brownells.com]
Subject: WWSD 2020/Polymer Receivers
Flag: Flag for follow up

Paul,

We are actively working on revising the CAV-15 MKII design to modernize it and refine things from a manufacturing perspective. We are currently 4-6 months out on mold completion.

It will be possible to have a 3D printed sample in the Brownell's booth at SHOT Show 2020. We are willing to help staff your booth to help answer product questions related to the rifles and receivers.

The pricing is as follows on a complete WWSD 2020 14.5" (with permanent flash hider rifle).

Price to Brownell's: \$1219.51 each
MSRP: \$1524.95

This pricing does not include packaging; I assume Brownell's will want to develop packaging for the rifles in line with your other projects.

It also does not include a magazine (Brownell's purchases magazines in much larger quantities than we do.)

This assumes a purchase order of 500 units as we discussed.

We are currently estimating pricing on stripped lowers at \$99.95 MSRP each, Dealer at \$74.95 each, Brownells Price at \$59.95 each

Complete lowers with Mil-Spec Fire control ready to mount an upper. \$174.95 MSRP each, \$131.21 each dealer, \$104.95 each for Brownells.

Please let me know your thoughts. With a PO for 500 units of rifles we will start putting things in motion to build them all.

Regards,

Russell Phagan
KE Arms
Sales & Marketing Director
480-466-8832



6/29/2021

Mail - Shel Jones - Outlook

RE: GWACS Armory CAV 15

Paul Levy <paul.levy@brownells.com>

Fri 4/20/2018 9:10 AM

To: Shel Jones <sjones@gwacsdefense.com>

Shel,

Based on that retail pricing for the lowers, we would probably be looking at the following:

CAV-15 MKIII

Retail	\$149
Dealer	\$120
Cost	\$89 (40%)

CAV-15 MKIV

Retail	\$179
Dealer	\$150
Cost	\$107 (40%)

At that pricing structure, with WWSO builds, we'd be looking at 3,000 MKIII lowers & 2,000 MKIV lowers the first year. That is a forecast on my part, and would obviously change depending on pricing.

Thank you,

Paul Levy

Director of Product Management



Email: paul.levy@brownells.com

Address: 3006 Brownells Pkwy, Grinnell, IA, 50112

Phone: 641-623-5401

Direct: 641-623-8026

OrderLine: 1-800-741-0015



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From: Shel Jones [mailto:sjones@gwacsdefense.com]

Sent: Thursday, April 19, 2018 1:46 PM

To: Paul Levy <paul.levy@brownells.com>

Subject: RE: GWACS Armory CAV 15

Paul,

Attached are two FFL's for GWACS the first one is the FFL that the variance should be against. This is the FFL we do all manufacturing 03970.

<https://outlook.office.com/mail/d/AAMkAGJhZTZjODdLTNmZjc1NDE1ZS1iMGYxLWE5MzhhYjg0NmRlRmVwQjQkKkXL2T%2...> 1/3

Armory-0258



6/29/2021

Mail - Shel Jones - Outlook

We use the second FFL , 03657 for our transfers to customers as well as any firearms we purchase for resell. This would also be the FFL I would use to buy from Brownells.

Pricing on the Next models

CAV-15 MKIII – Fixed A1 Stock with improvements, expanded trigger guard for use with gloves, QD Ports, improved finish, Standard 5.56 mag well

Retail \$149 dollars, Dealer

CAV-15 MKIV – Adjustable Lower with fixed cheek weld, expanded trigger guard, multiple QD ports, removable hand guard plates, Standard 5.56 mag well

Retail \$179 dollars

Can you tell me what the dealer and Brownell's prices should be.

Shel

From: Paul Levy <paul.levy@brownells.com>

Sent: Thursday, April 19, 2018 7:00 AM

To: Shel Jones <sjones@gwacsdefense.com>

Subject: RE: GWACS Armory CAV 15

Shel,

Yes, we'd be happy to pass along a letter of intent regarding quantity. Can you advise on price structure? I can't really pass along a quantity without knowing the cost.

Regarding the variance, let me get Faxon's Manufacturing FFL, and I'll pass along ours, that way we are all on the same page with the exact info. Would you like us to submit the variance? We would submit the variance with GWACS, and will note Faxon as an assembler.

Markings would likely be, but are not firm:

Brownells Inc
Montezuma, IA USA
CAL 5.56x45mm
WWSD

Serial number range: WWSD-10001 to WWSD-99999

Paul Levy

Director of Product Management



Email: paul.levy@brownells.com

Address: [3006 Brownells Pkwy, Grinnell, IA, 50112](#)

Phone: [641-623-5401](tel:641-623-5401)

Direct: [641-623-8026](tel:641-623-8026)

OrderLine: [1-800-741-0015](tel:1-800-741-0015)



6/29/2021

Mail - Shel Jones - Outlook

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From: Shel Jones [mailto:sjones@gwacsdefense.com]
Sent: Wednesday, April 18, 2018 1:44 PM
To: Paul Levy <paul.levy@brownells.com>
Subject: GWACS Armory CAV 15

Paul,

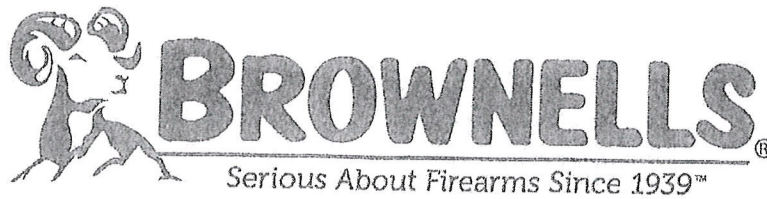
Good talking to you again, I know we are excited about working with Brownells!

I brought up that we are seeking investment/financing to fund the new molds and some better equipment to make variance easier to do which will allow more flexibility and a much more appealing product. I was just updating our president and he mentioned that he could expedite us closing a deal if he had a letter of intent from Brownells to purchase a number of lowers over a period of time, higher being better.

Shel

Shel Jones

GWACS ARMORY LLC
1000 RIVERWALK TERRACE 1ST FLOOR
JENKS OK 74037
918-794-5670



Brownells 2018 Projected Orders for GWACS MKIII, MKIV & WWSD Lower Receivers

All figures noted below are 2018 Projections as of 5-17-18. These figures do not reflect an active Purchase Order from Brownells Inc to GWACS Armory LLC.

MKIV Lower Receivers

- \$107.00 per unit
 - G401 Black 2,400
 - G402 FDE 600
 - G403 OD Green 240

MKIII Lower Receivers

- \$89.00 per unit
 - G301 Black 2,400
 - G302 FDE 600
 - G303 OD Green 240

WWSD Lower Receivers

- \$89.00 per unit
 - GV301 Black 1,000
 - GV302 FDE 1,000
 - GV303 OD Green 0

Paul Levy



Director of Product Management

5-17-18

200 South Front Street • Montezuma, IA 50171-1000 USA
Main: 641.623.5401 • Fax: 641.623.3896 • Orders: 800.741.0015
www.brownells.com

Armory-0110



TOOL & DESIGN GROUP LLC
4343 E MAGNOLIA ST
PHOENIX, AZ 85034

NO MAT

7-502
77

1004

Key: 63086.40 DATE 7/27/20
Initials: ESTD 438

PAY TO THE ORDER OF Branson \$63,086.40
Sixty Three Thousand Eighty Six and 40/100

NATIONAL BANK OF ARIZONA
WWW.NBARIZONA.COM

PER ENVELOPE

MEMO #014914

1004

12221053201



T&DG0001

TOOL & DESIGN GROUP LLC
4343 E MAGNOLIA ST.
PHOENIX, AZ 85034

DATE 2/29/20

PAY TO THE ORDER OF Mold Wavy \$ 50,000

Fifty Thousand DOLLARS

NATIONAL BANK OF ARIZONA
WWW.NBAARIZONA.COM | 602.497.8108

MEMO

1005

TOOL & DESIGN GROUP LLC
4343 E MAGNOLIA ST.
PHOENIX, AZ 85034

91-522
1221

1006

DATE 8/16/20

PAY TO THE ORDER OF Moldway \$ 3725.00

Thirty Seven Hundred Twenty Five and 00/100 DOLLARS

NATIONAL BANK OF ARIZONA
WWW.NBARIZONA.COM | 800.497.8168

MEMO _____

1006

1006

Counter-Check

TOOL & DESIGN GROUP LLC
4343 E MAGNOLIA ST
PHOENIX, AZ 85034

01-032
1211

1008

DATE 12/10/20



PAY TO THE ORDER OF Brandon \$21,998.20


Twenty One Thousand Nine Hundred Ninety Eight and 20/100

NATIONAL BANK OF ARIZONA
WWW.NBARIZONA.COM | 800.492.8168

MEMO INV 202127

1221053205 1008

TOOL & DESIGN GROUP LLC 4343 E MAGNOLIA ST. PHOENIX, AZ 85034		91-532 1221	1009
		DATE	12/31/20
PAY TO THE ORDER OF	Scheyer Technical Services		\$1800.00
Eighteen Hundred & 00/100		DOLLARS	A
 NATIONAL BANK OF ARIZONA WWW.NBARIZONA.COM 800-972-8168			
MEMO			
⑆122105320⑆		1009	

TOOL & DESIGN GROUP LLC 4343 E MAGNOLIA ST. PHOENIX, AZ 85034		91-532 1221	1012
DATE <u>1/11/21</u>			
PAY TO THE ORDER OF	<u>Molduony</u>	\$ <u>9550.00</u>	VE
<u>Ninety Five Hundred Fifty & 00/100</u>		DOLLARS	<input checked="" type="checkbox"/> <input type="checkbox"/>
 NATIONAL BANK OF ARIZONA WWW.NBAARIZONA.COM 800.497.8668			
MEND	<u>Jan 10/12</u>	<u>[Signature]</u>	
⑆ 122105320⑆		1012	

TOOL & DESIGN GROUP LLC
4343 E MAGNOLIA ST.
PHOENIX, AZ 85034

91-532
1821

1013

DATE

1/19/21

PAY TO BRANSON PER ENVELOPE
THE ORDER OF

\$ 5859.⁰⁰/₁₀₀

Fifty Eight hundred Fifty Nine & 00/100 DOLLARS

1013

NATIONAL BANK OF ARIZONA
WWW.NBARIZONA.COM | 800.492.8148

MEMO

205067

[Signature]

⑆122105320⑆

1013

TOOL & DESIGN GROUP LLC
1343 E MAGNOLIA ST.
PHOENIX, AZ 85034

91-342
4221

1025

PER ENVELOPE

DATE

3/19/21

PAY TO
THE ORDER OF

Branson NO MAT

\$ 6870 -

Sixty Eight Hundred Seventy 00/100

DOLLARS



Security features
on back of envelope



NATIONAL BANK OF ARIZONA

WWW.NBAARIZONA.COM | 800.497.8168

MEMO

P015803

[Signature]

1222105320

1025

10/20/2019

Shel Jones

From: Shel Jones
Sent: Tuesday, June 2, 2015 2:21 PM
To: russell@kearms.com
Subject: RE: NDA
Attachments: GWACS Armory Investment Opportunity 4.0.pptx

Yes you should have this one?

From: russell@kearms.com [mailto:russell@kearms.com]
Sent: Tuesday, June 02, 2015 2:06 PM
To: Shel Jones
Subject: NDA

Shel,

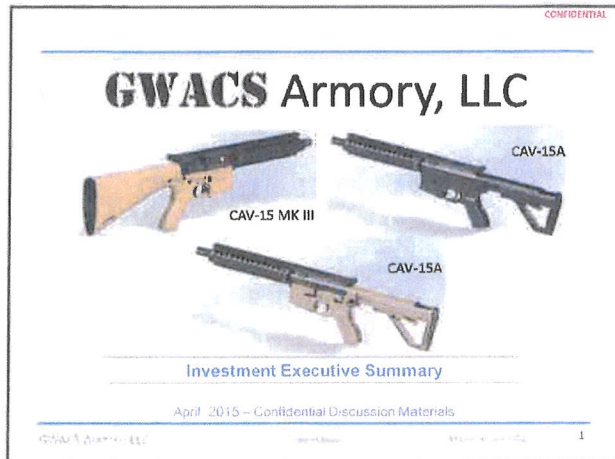
Signed NDA from Mike and KE Arms Attached. I can just give him the files I have already if that works.

Thanks,

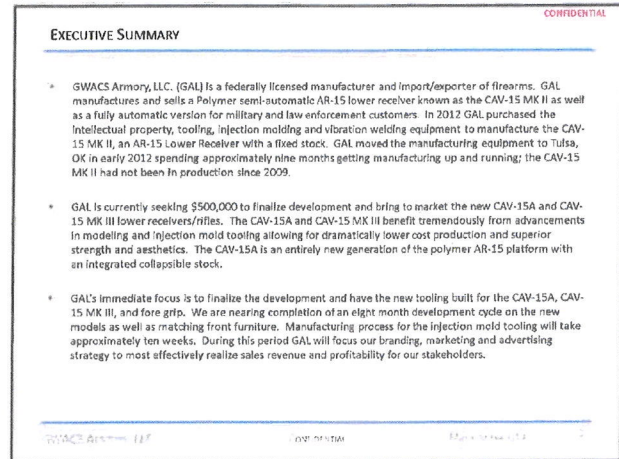
Russell Phagan
KE Arms
Marketing Director
480-466-8832



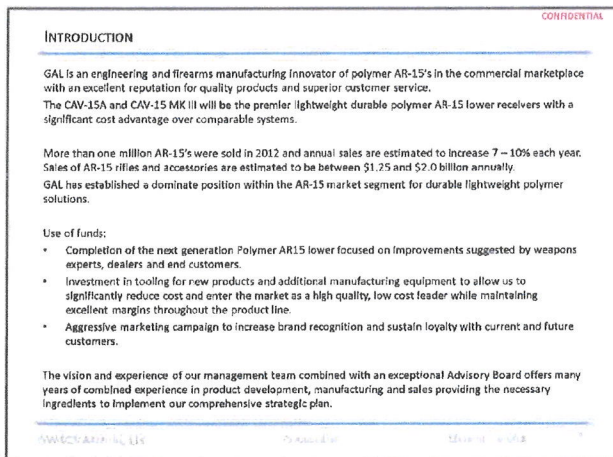
12/17/2021



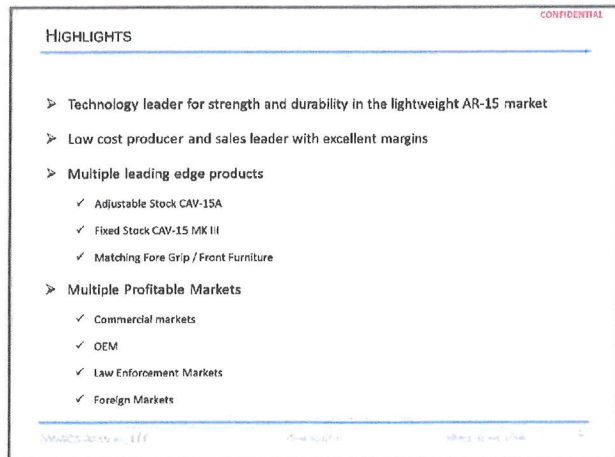
1



2



3



4

CAV-15 MK III

The CAV-15 MK III receiver offers significant functional and cosmetic improvements over the current CAV-15 MK II. GWAWS Armoury worked with existing customers of the CAV-15 MK II to incorporate functional and cosmetic improvements and the most desired features into the new CAV-15 MK III while lowering the MSRP considerably.

Form -

- Latest injection molding process with exceptional fit and finish
- Multiple color colors - Standard Black, FDE, Cerakote, O.D. Green and virtually any other color as well as factory Hydro-Coating
- Light Weight Polymer design - 1lb 3oz, stripped and 1lb 1/2 oz. populated and ready for an upper receiver.

Function -

- Based on the standard AR-15 platform
- Integrated blow back buffer tube provides greater reliable buffer operation in dirty environments
- Integrated single point sling mount(s)
- Larger Integrated trigger guard for gloved hand operation

Quality -

- Limited Lifetime Warranty
 - 1st Year free replacement on material/manufacturing defects
 - After first year there is a \$35 fee for replacement

MSRP Pricing - %

- Six Speed Retail Price \$119.00 (no speed lower receiver includes buffer tube, stock, pivot and take down pins, trigger guard)
- Fully Populated Retail Price \$199

LOW COST PRODUCER AND SALES LEADERSHIP STRATEGY

- Low Cost Sales Leader – MSRP at least 30% lower than Colt/Bushmaster. GAL low cost sales strategy will attract additional customers into the AR-15 market which is projected to see well over one million rifles sold in 2013.
- Low cost of production and high level of quality enables GAL to sell well below average industry prices penetrating the larger market while maintaining attractive profitability.
- Comparative Cost of Goods Sold:
 - GWACS GAR -15 – Total material cost per lower receiver is approximately \$7.50 and can be produced at a rate of 60 units per hour per machine.
 - Colt/Bushmaster – Total cost of forgings and materials for a comparable lower receiver to the CAV-15A is over \$205 with a production rate of approximately 5 – 8 per hour per machine.
- Marketing, advertising and sales:
 - GAL will have four channels to market.
 - Direct Retail Sales – Online/Storefront
 - Dealer Sales
 - Distribution Sales
 - Foreign Sales
 - Direct and through Import/Export Brokers

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GWACS Armory, LLC

COMPETITIVE COMPARISON

	Coh and Bushmaster (Aluminum - Screw in Buffer Tube)	New Frontier (Polymers - Screw in Buffer Tube)	GWACS - CAW-15 and CAW-15 MK II (Polymer - Integrated Buffer Tube)
Price (Projected Lowest)		\$1000	\$1375 and \$2000
Weight		10.5 - 13.5oz	8.5oz, 11oz and 13oz - 14.5oz
Adjustable Stock	Yes	Yes	NO/ISA No CAW-15 MK II - No
Coat(s)			Armory - Black, Flat Dark Green, Jewell, Luster, Tan Jewell - Zirconia, Dragon, Iron, Purple Jewell - Yellow, Green, Blue, Red, Black
Corrosion Resistance	Moderate Resistance	High Resistance	High Resistance
Durability - Fits	Mild to Heavy Bore	Breaks in Buffer Tube Connection	Designed to Meet CAW-15 MK II Pals Specs (over 100,000 hits and still functions properly)
Barrel in which Stays	1/4", 3/8", 1/2" and 5/8"	1/4", 3/8", 1/2" and 5/8"	CAW-15 MK II - 1/4", 3/8", 1/2", 5/8" and 3/4" CAW-15 MK II - 1/4", 3/8", 1/2", 5/8" and 3/4"
Full Auto	Yes	Yes	Yes
Manual Reliability		High Rate Dependent on 3rd Party for Buffer Tube and Adjustable Stock	High Rate Fully Manufactured by GWACS Armory in Tulsa, OK
Production Costs		Low	Low

GWACS Armory, LLC

Confidential

Version 1.0 - 2015

1

2

CONFIDENTIAL

STRENGTHS, WEAKNESS AND OPPORTUNITY

- **Strengths**
 - Management team with solid experience
 - Proven product already successful in the market
 - Great reputation for quality product and customer support
 - Relationships within the gun industry—Falcon Industries, Magpul, Colt, Adcor, JSE
 - Over 120 certified dealers and growing
- **Weakness**
 - Resources and equipment
 - Small buying power for third party items
 - Single product (CAV-15 MK II)
 - Very little Marketing and Advertising
- **Opportunity**
 - Market is migrating to custom AR-15 market where customers want choices in colors.
 - Glock and the CAV-15 MK II have “broken the glass ceiling” for polymer acceptance
 - The CAV-15 MK III and CAV-15A low production costs allow for large margins while enabling GWACS Armory to become the dominate low cost provider in the AR-15 marketplace
 - The projected AR-15 market continues to see healthy growth each year
 - Typical AR-15 owner has more than one and intends to buy more

GWACS Armory, LLC CONFIDENTIAL MADE IN THE USA 9

CONFIDENTIAL

PROJECTED FINANCIAL HIGHLIGHTS

For the purposes of these forward looking projections we focused on sales of the CAV-15A and CAV-15 MK III to commercial markets and we have not included the large foreign markets. GAL projections assume penetrating the AR-15 Market capturing less than 2% - 5% of the current marketplace.

	Calendar Year Ended				
	2016	2017	2018	2019	2020
Product Sales	1,141,058	16,077,590	22,222,546	29,553,706	39,691,461
Net Income Before Tax (Loss)	(\$190,993)	\$4,581,036	\$5,754,618	\$8,482,590	\$12,333,592
Dividend Distributions	(\$190,993)	\$2,148,621	\$3,455,171	\$5,089,554	\$7,400,155

*2016 Sales Projections assume sales of CAV-15A and CAV-15 MK II in 4th Quarter Resulting in the “Hockey Stick” from 2016 - 2017
NOTE: Upper Receivers for complete rifles will be sourced from external manufacturers.

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FINANCIAL HIGHLIGHTS

Investment Opportunity:
\$500,000 investment = 20% Equity Stake

Use of Funds:

Professional Branding/Marketing Material and Strategy, Legal (IP) and Operating Capital	\$75,000
Manufacturing Equipment, Tooling, Hardware/Software	\$ 425,000
Use of Cash	\$ 500,000

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EXISTING PRODUCTS



Black
Zombie Green
Zombie Hydro Coat

CAV-15 MK II

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